

"Appropriations Limit"

- * Resolution*

- * The Law*

- * The Limit*

RESOLUTION NO. 09-49

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO SETTING FORTH THE APPROPRIATION LIMIT FOR FISCAL YEAR 2009-10 CONSISTENT WITH ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION AND GIVING NOTICE OF THE AVAILABILITY OF INFORMATION SUPPORTING SAID DETERMINATION.

WHEREAS, the City of Calexico established \$21,426,831 as the limit for appropriations of the proceeds of taxes for Fiscal Year 2009-10; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CALEXICO, CALIFORNIA, DOES RESOLVE AS FOLLOWS:

That the Finance Director shall make available for public inspection, supporting information used in deriving said limit..

PASSED, APPROVED AND ADOPTED THIS 16TH DAY OF JUNE, 2009.



LOUIS FUENTES, MAYOR

ATTEST:



LOURDES CORDOVA, CITY CLERK

APPROVED AS TO FORM:

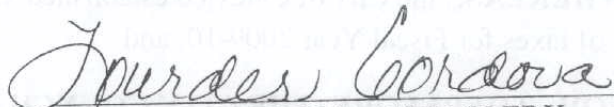


JENNIFER M. LYON, CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF IMPERIAL) SS.
CITY OF CALEXICO)

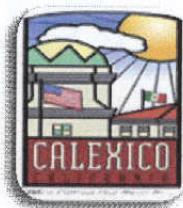
I, LOURDES CORDOVA, CITY CLERK OF THE CITY OF CALEXICO, DO HEREBY CERTIFY THAT THE ABOVE AND FOREGOING RESOLUTION NO. 09-49 WAS DULY PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CALEXICO ON THIS 16TH DAY OF JUNE, 2009 BY THE FOLLOWING VOTE, TO -WIT:

AYES: OUZAN, MORENO, CASTRO, ROMERO, FUENTES
NOES: NONE
ABSENT: NONE


LOURDES CORDOVA, CITY CLERK

SEAL

Appropriations Limit Background



The Law

The Gann Initiative or "Gann Limit" adopted by California voters in 1980 and referenced in Article XIII B of the California State Constitution placed limits on the amount of proceeds of taxes that state and local government can receive and appropriate each fiscal year.

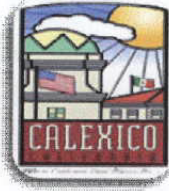
The limit is based on the amount of tax proceeds that are authorized to be spent in each fiscal year. The base year is 1978-79 and can be modified each year by the change in inflation, population, and voter approved modifications.

In 1990 the voters passed Proposition 111, which made changes to the manner in which the Appropriations Limit is calculated as follows:

- The annual adjustment factors for inflation and population have been changed from using the lesser of California per capita income or U. S. CPI (Consumer Price Index) to either the growth in California per capita income, or the growth in non-residential assessed value due to new construction in the City. Each City may annually choose the population growth within the county rather than using the City's population growth.
- The revised annual adjustment factor is then applied to the 1986-87 limit for most cities and each year from then on up to the 1990-91 calculation. There is no effect on the readjustment of the years between 1986 and 1991.
- Expenditures for capital outlay with a value of more than \$100,000 and an expected life of 10 years or more are excluded from the limit. If the City were to exceed the limit in any one fiscal year the options are to provide a tax refund or not give a tax refund if the following year the City falls below the limit. If there is any remaining, a taxpayer refund or voter override is required. There is a provision in the law which permits the agency to spend the overage of proceeds of taxes for emergencies without having to reduce the limit in future years.
- The law requires the City Council annually adopt by resolution an appropriations limit for the ensuing fiscal.

Once the Appropriations Limit is adopted, the City must publish pursuant to the Government Code the limit and total appropriations subject to the limit in the annual budget. The City is also required to file with the State of California in its Annual Report of Financial Transactions the limit information.

Appropriations Limit Background



The Limit

Under provisions of Article XIII of the California Constitution and the implementing legislation, the City must adopt a Fiscal Year 2009-10 Appropriations Limit.

The following summarizes the determination of the 2009-10 limit:

CPI Change Factor 1.0062

2009 Population Change Factor: 38,585 vs 39,337

$(39,337 - 38,585 = 752 / 38,585 = 1.0195)$

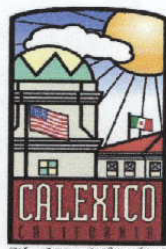
Ratio of Change: $1.0062 \times 1.0195 = 1.0259$

2008-09 Appropriations Limit \$20,885,887

Change Factor X 1.0259

2009-10 Appropriations Limit \$21,426,831

The City of Calexico's Appropriation Limit from proceeds of taxes for Fiscal Year 2009-10 is \$21,426,831



"Where California and Mexico Meet"